

By: Johnson of Harris

H.B. No. 312

A BILL TO BE ENTITLED

AN ACT

relating to the creation and administration of a disaster recovery fund.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 418, Government Code, is amended by adding Subchapter I to read as follows:

SUBCHAPTER I. DISASTER RECOVERY FUND

Sec. 418.201. PURPOSE; INTENT. It is the intent of the legislature that in recovering from a disaster, the first recourse of state and local governmental entities and volunteer organizations should be to the money regularly appropriated to those entities or money received by those entities from other sources in the normal course of operations. Assistance grants provided under this subchapter are intended to mitigate extraordinary burdens of state or local governmental entities and volunteer organizations in relation to available resources.

Sec. 418.202. DEFINITION. In this subchapter, "fund" means the disaster recovery fund account.

Sec. 418.203. DISASTER RECOVERY FUND ACCOUNT. (a) The disaster recovery fund is an account in the general revenue fund to be administered by the division. Money in the fund may be appropriated only for a grant awarded under this subchapter.

(b) The fund consists of:

(1) money credited, appropriated, or transferred to

1 the fund at the direction of the legislature;

2 (2) federal money credited or transferred to the fund;

3 and

4 (3) gifts and grants contributed to the fund.

5 Sec. 418.204. USE OF MONEY IN DISASTER RECOVERY FUND. The
6 division may award from the fund a grant to a state or local
7 governmental entity or a volunteer fire department that
8 participates in disaster recovery in an area where the governor has
9 declared a state of disaster to assist in the payment of the
10 entity's costs incurred for its recovery efforts. Money granted
11 from the fund may be used only for:

12 (1) a nonfederal match required for a Federal
13 Emergency Management Agency qualifying project;

14 (2) a disaster recovery project to remedy the public
15 damage and direct loss incurred as a result of a disaster; and

16 (3) reimbursement of the entity for costs incurred by
17 compensating its employees for disaster recovery-related
18 activities that are performed in response to the disaster and that
19 are outside of the scope of the employees' normal duties.

20 Sec. 418.205. APPLICATION FOR GRANT FROM DISASTER RECOVERY
21 FUND. The division shall develop and implement rules, procedures,
22 and an application process for an entity to request a grant from the
23 fund. An application for a grant must include:

24 (1) a description of the purposes for which the
25 applicant is requesting the grant assistance;

26 (2) an estimated amount of the cost of the relevant
27 damages sustained by the applicant as a result of the disaster,

1 based on a preliminary damage assessment conducted by the applicant
2 or other relevant information;

3 (3) a certification of the applicant's exhaustion of
4 local effort, including evidence of an applicant's uninsured
5 losses, anticipated revenues and expenditures, and projected
6 losses in local revenue as a result of the disaster;

7 (4) evidence that the applicant is located in a county
8 for which the countywide loss threshold has been exceeded because
9 of the declared disaster, as calculated using the Federal Emergency
10 Management Agency's countywide per capita impact indicator; and

11 (5) evidence that the applicant has staff, policies,
12 and procedures in place adequate to administer the grant.

13 Sec. 418.206. POST-APPLICATION PROCEDURES. (a) On receipt
14 of an application requesting a grant from the fund, and before
15 awarding money in response to the application, the division shall:

16 (1) substantiate the damage estimate provided by the
17 applicant;

18 (2) review the emergency management program and plan
19 in the jurisdiction where the applicant is located;

20 (3) review the information on the staff, policies, and
21 procedures in place to administer the grant submitted by the
22 applicant; and

23 (4) verify that the program, plan, staff, policies,
24 and procedures in place to administer the grant are adequate.

25 (b) The division shall prioritize grants and select grant
26 recipients based on information provided by the applicants, other
27 information available to the division, and criteria adopted by the

1 division.

2 Sec. 418.207. REIMBURSEMENT OF FUND. (a) An entity that
3 receives a grant from the fund and subsequently receives
4 reimbursement from the federal government, an insurer, or another
5 source for the costs for which the grant was awarded shall reimburse
6 the fund for the amounts reimbursed to the eligible entity.

7 (b) The division shall prescribe accounting and other
8 procedures as necessary to ensure that the fund is reimbursed as
9 provided by Subsection (a).

10 SECTION 2. Notwithstanding Section 614.104, Government
11 Code, the comptroller shall transfer \$30 million from the volunteer
12 fire department assistance fund account in the general revenue fund
13 to the disaster recovery fund account created by this Act. The
14 transfer of money required by this section may not be considered for
15 purposes of an assessment under Section 2007.002, Insurance Code.

16 SECTION 3. This Act takes effect immediately if it receives
17 a vote of two-thirds of all the members elected to each house, as
18 provided by Section 39, Article III, Texas Constitution. If this
19 Act does not receive the vote necessary for immediate effect, this
20 Act takes effect September 1, 2017.